JOURNAL

OF AMERICAN INSURANCE

JANUARY, 1960 Vol. 36—No. 1

Preview: A New Building Era

Are We Conning Our Juries?

A Cycling Sidelight on Auto Insurance

Theft-Pressure on Insurance Rates

Our Expanding Gas Industry

New Workmen's Compensation Benefits

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FRONT COVER—*Franklin, Court of France*

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Courtesy of The Cooper Union Museum

OUR COVERS

JUST AS TODAY, history of another era had its "summit" scenes in which America played a role of renown on the world stage. One of the most famous records of this is depicted on our front cover showing Benjamin Franklin at the Court of France, where he served as American representative from 1776 to 1785.

In tribute to him as an international statesman and philosopher, history records that, "He electrified the imagination of the world by rising rapidly to the councils of the great leaders who broke with the past and made today."

His last homecoming and his 24 years of service on the foreign scene are memorialized on Page 21 on this, the 254th anniversary of his natal month.

Befitting the anniversary occasion, our back cover is from a Franklin contemporary, French artist Jean Pierre Louis Laurent Houel (1735-1813), whose *Project for a Public Monument*, like Franklin's philosophy, is on the scale of world perspective. ⊙

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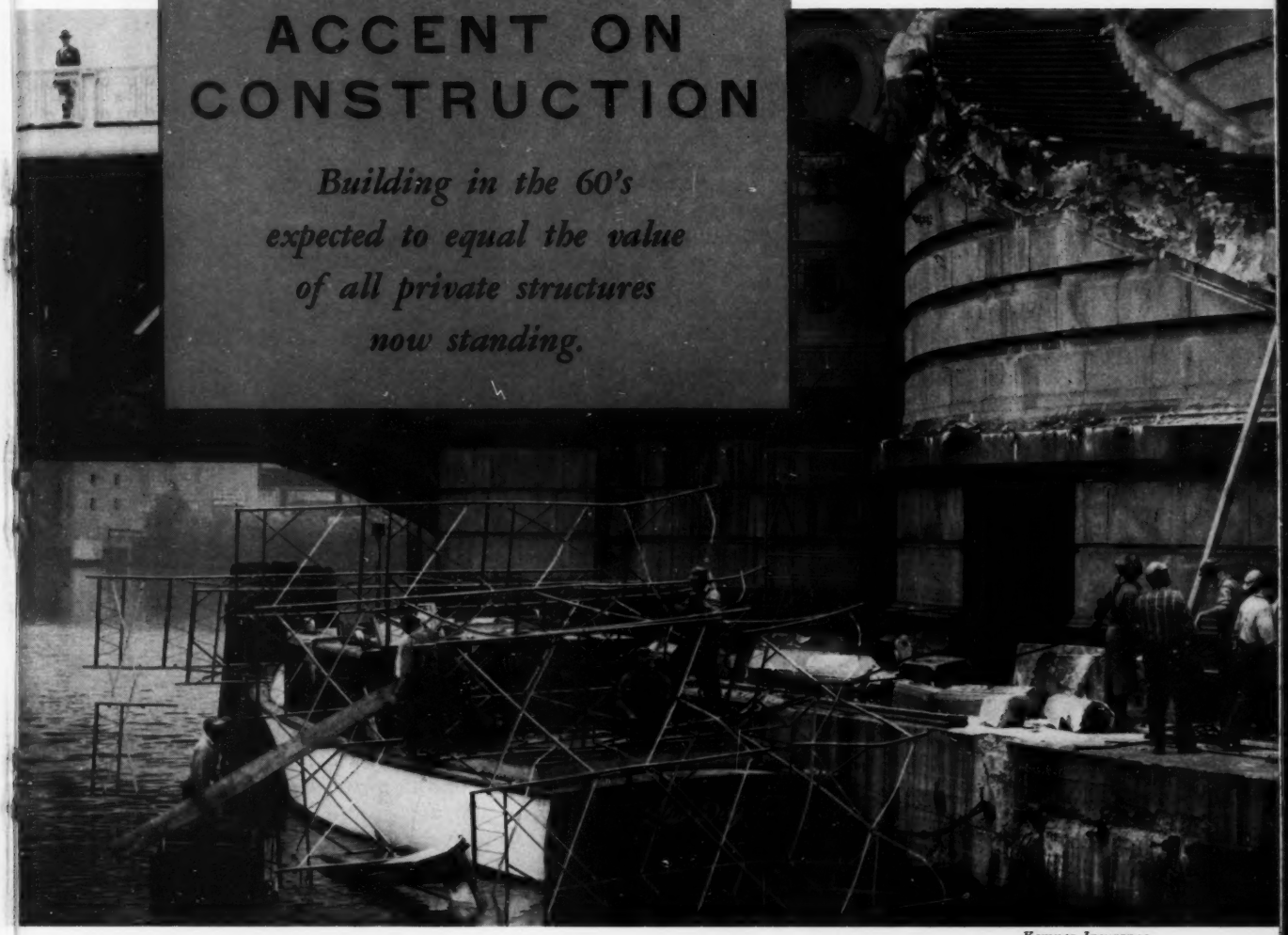
ACCENT ON CONSTRUCTION

Building in the 60's expected to equal the value of all private structures now standing.



Kemper Insurance

Construction's triumphs and disasters fascinate the public, but the entertainment can be costly for the contractor. This case ran up unexpected bills when a falling parapet toppled the scaffold onto a boat in the Chicago river.

FRANK LLOYD WRIGHT'S cherished dream of a mile-high skyscraper may never get off the drawing boards and onto the American skyline. But the nation will need imagination as titanic as his just to keep pace with reality in the decade now dawning.

Already the U. S. construction industry has cleared ground for the greatest era of building the country has ever seen, despite current misgivings about tight money and steel shortages.

Outlays for new construction are expected to jump 50 per cent by 1970, pushing the next 10 years' total to more than $650 billion. That's just about equal the present depreciated value of all private buildings—homes, offices, factories, stores—standing in the U. S. today.

These optimistic predictions are based on long-range surveys

by two leading industry publications, *Architectural Forum* and *Engineering News-Record*. Other items:

¶ New homes will go up at an average rate of about 1.5 million a year between now and 1970 as the U. S. population races past 200 million.

¶ Industrial and commercial building will exceed $10 billion a year by 1970, totaling more than $100 billion this decade for business expansion.

¶Construction outlays will increase in all major categories this year except housing, which ran abnormally high in 1959 because of anti-recession spending. Industrial capital investment is expected to recover from a two-year dip and rise 17 per cent. Investment in office buildings, warehouses, stores, restaurants, garages and shopping centers will increase 7 per cent or more, and religious building will exceed $1 billion for the first time.

This long-range growth will provide a powerful stimulus for the U. S. economy and for all industries associated with construction. Glass, plastics, aluminum and copper are becoming increasingly popular as building materials. Wood, fire-proofed and in a variety of new forms, also is being used in new ways.

Contractors are likely to find all the work they can do for the foreseeable future, but the boom will not necessarily give them an unqualified ticket to prosperity. Building costs have been rising sharply for several years, with builders in a situation where financing is difficult and profits can vanish overnight as the result of a single miscalculation or accident. Increased investment in mechanical equipment, rising medical costs and a claim-conscious public have enormously increased contractors' risks even on small projects.

The result has been a growing partnership between builders and their insurance carriers. Today's contractor can obtain better coverages than ever before for his workmen, equipment, the exposed public and the property he is constructing. In addition, he can make use of a wide range of professional insurance services to help him get the job done safely and profitably.

These coverages and services begin long before the first scoopful of earth is removed. When a contractor is invited to bid on the construction of a new school, for instance, he may be required to post a bid bond to guarantee that he will do the job at the price he bid. If he is awarded the contract, he may take out a performance bond to reassure the school board that the project will be completed satisfactorily even if he defaults, dies or goes bankrupt.

Most insurance companies provide construction safety specialists who will help the builder spot potential hazards to life and property, and assist in setting up control measures. Notable examples of insurance loss prevention ingenuity are the vibration measurement devices developed by mutual companies to determine

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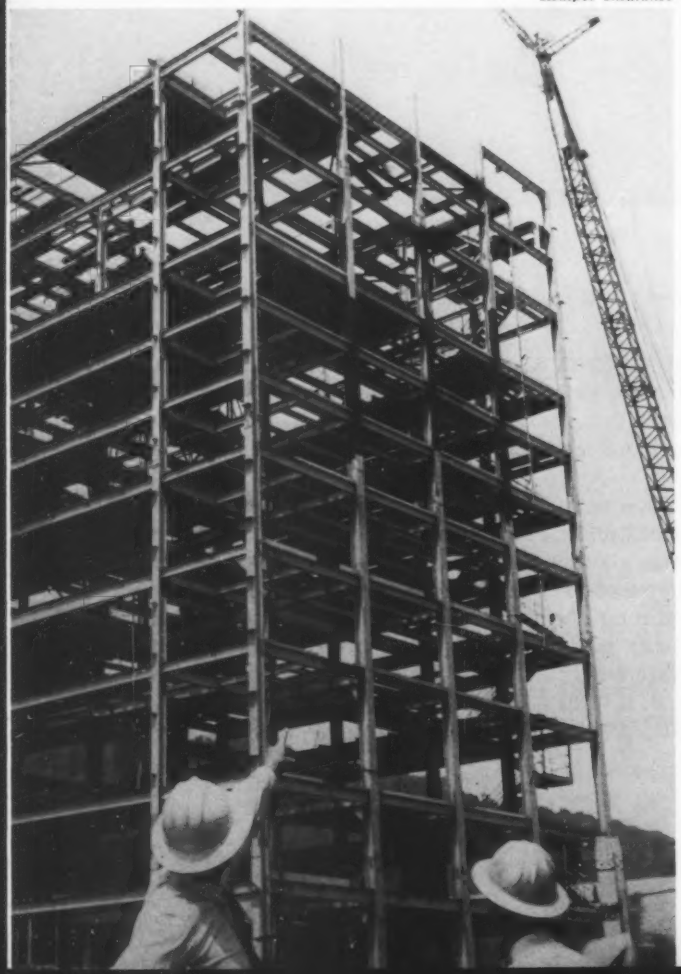


← Temporary plank flooring was installed on alternate floors of this plant building, minimizing workmen's danger of falls. Another safety feature was installation of permanent stairs as the framework went up. Men in foreground are mutual insurance safety engineers who helped plan safe work methods.

→ A makeshift heater to keep workmen warm on the seventh floor is believed to have caused this fire in an uncompleted apartment building. Lack of stairways hampered firemen's efforts.

Kemper Insurance

Soil and boulders dropped from an overloaded dump truck can involve the contractor in expensive lawsuits if they wreck someone's car. Protection includes "trimming the load" to minimize the hazards, liability insurance to cover damages.

how much explosive can safely be used in any given area.

Insurance specialists also may aid in determining why a particular accident happened so a recurrence can be prevented. However, insurance services are advisory only; responsibility for safety remains with the contractor.

Although the construction industry has improved its accident record substantially in recent years, it remains one of the most hazardous of all major U. S. industries—and both the direct and indirect costs of each accident have skyrocketed. Court awards in accident cases have more than quadrupled in some areas, leaving many contractors underinsured.

In one recent case, a subcontractor's employee was knocked off a scaffold and broke his back, resulting in paralysis from the waist down. He sued the general contractor for negligence and was awarded $98,000—some $48,000 more than the contractor's insurance provided.

Another serious pitfall for the builder is the "hold harmless" clause now being written into many contracts awarded by city, state and federal agencies. This provision makes the con-

National Fire Protection Association

tractor responsible for hazards not legally his under the laws of negligence. A road contractor learned this to his sorrow when he was sued by a man who claimed the contractor's roadbed blasting had made his well go dry. The contractor was in no way negligent, but his contract made him responsible for all damages arising from his work, and he had to pay.

Instances of this kind have made liability coverages increasingly important, particularly on work performed in congested downtown areas. Because of the public hazards involved in work almost anywhere, the builder needs to be insured against injury and damage to others before, during and even after the job is completed. When injury or damage does occur, the contractor with adequate insurance can depend on his insurer to settle the claim promptly and fairly, and to defend him in court against unjustified claims.

Adequate insurance includes liability coverages, workmen's compensation insurance tailored to comply with the requirements of each state where the contractor does business, and builders' risk coverages against fire, windstorm and other property hazards. It is not at all unusual for an insurance company to assume a risk of $1 million on a construction job where the payroll amounts to less than $50,000.

With the insurance industry's tremendous resources behind them, contractors now tackle projects that would have been unthinkable only a generation ago. In the golden decade that lies ahead, these resources will be needed again and again if the nation's builders are to meet the future's needs—which may even include mile-high skyscrapers. ⊙

Two boys were suffocated by sliding earth while playing in this excavation, a price no community can afford. Safeguarding a building site calls for maximum use of physical barriers and human diligence to avoid exposing the public to danger.

Building a parking lot beneath Chicago's Grant Park involved digging up busy Michigan Avenue and working perilously close to the city's teeming Loop. Mutual insurance protected all exposed buildings against job hazards, including collapse.

Kemper Insurance

HOCUS-POCUS IN THE COURTROOM

Misuse of demonstrative evidence to win excessive jury awards is more tricks than facts.

EACH DAY OF THE TRIAL the plaintiff's attorney placed a package on the table in front of the jury. It was wrapped in butcher's paper, and gradually, with suppressed horror, the jurors realized it was the size and shape of a leg.

Thus began their subjection to a masterfully effective misuse of demonstrative evidence for the purpose of arousing their sympathy to win a large personal injury award.

Plaintiff in this lawsuit was a pretty young matron who had been hit by a streetcar and lost a leg. Her lawyer didn't mention the package, but the tension grew each day. Finally his moment came. He spent five suspenseful minutes undoing the paper. There was a final dramatic rip, and he held aloft a leg. The jurors gasped before they realized it was an artificial limb.

Then came the attorney, thrusting the leg at the jurors, dropping it in their laps, urging them to touch it and then visualize what it would mean to the young woman to go through the rest of her life wearing it.

"Feel the warmth of life in the soft tissues of its flesh," he urged. Then, as one juror drew

back in distaste, "Don't be alarmed . . . my client is no longer frightened." He wound up his emotional summation; the jury deliberated a few minutes, then brought in a verdict of $100,000.

Once again the effectiveness of an emotional appeal on a jury had been demonstrated. With such use of demonstrative evidence in personal injury cases some 6,000 members of the National Association of Claimants' Compensation Attorneys have been attempting to win exorbitant jury awards for plaintiffs—and for themselves, since their fees amount to one-fourth to one-half, sometimes more, of the verdicts.

Partly as a result of their efforts, jury awards for personal injuries have outdistanced all other items in the cost of living in many areas of the U. S. They rose 204 per cent in 10 years in Cook County, Illinois, for example; 270 per cent in New York State, up to 486 per cent in some parts of the state.

Excessive jury awards are hard on the public, which ultimately pays for most of them. Every passenger of the railroads, city transit systems and other common carriers pays higher fares, for example, to cover big damage claims against the carriers. Motorists pay more for their auto insurance, and still, despite rate increases, insurers pay out some $300 million a year more in claims than they collect in premiums—a total of nearly $2½ billion annually. These losses result partly from increases in the number of accidents and in costs of medical care, auto repair and replacement, but partly, too, from excessive jury awards.

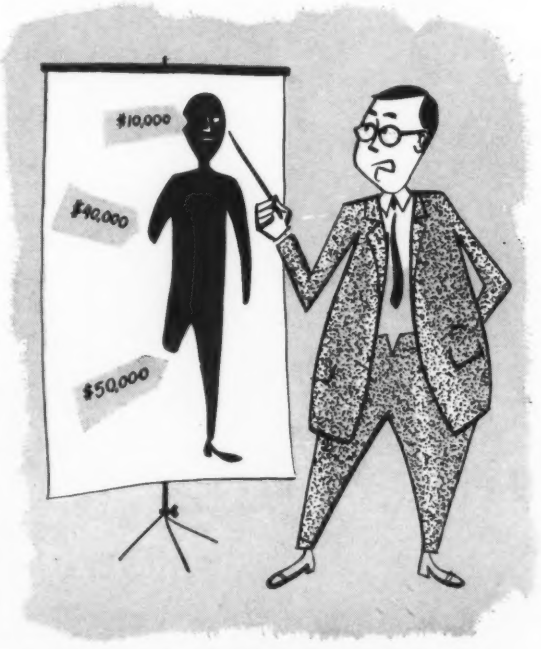
Public Resents Phony Emotional Appeals

No reliable insurance company wants to avoid paying a legitimate claim; to pay is its obligation. But neither does it want to pay more than is justified under the law; avoiding that also is its obligation to its policyholders. This is why insurers deplore the misuse of demonstrative evidence to achieve excessive awards.

The public deplores and resents it too, recent experience in many states and cities has shown. Where citizens have been made aware of the use and effects of demonstrative evidence, and what it costs them, they have tended to stop letting it influence them unduly and to return just and realistic awards based on facts, not on sympathy aroused by a clever attorney's Hollywood-style histrionics. Some courts, too, have begun to restrict the use of demonstrative evidence.

Basically, the term means simply evidence addressed to the senses of the judge or jury—something they can see, feel, smell or taste. It is widely used in criminal trials—showing the alleged murder weapon, or a photo of the scene, for example. Properly used, it is helpful in civil cases too; both sides can well make use of maps, charts, diagrams and other visual aids to help the judge or jury "get the picture." It is when demonstrative evidence is misused, to arouse emotions and prejudices in a jury and get its sympathy for one side, that it is improper and unjust.

Gory color photographs of the alleged injuries, for example, will remain in the minds of a jury and arouse sympathy for the plaintiff—even if competent medical testimony shows that the injuries in fact were far less serious than the bloody pictures would indicate. A binge of emotional oratory while brandishing a skull or skeleton or holding out an artificial limb for them to touch will arouse more feeling in jurors than words alone, regardless of the merits of the argument. Wheeling a plaintiff into court in



Putting price tags on pain

bandages or braces is the best way to arouse sympathy—even if it means putting a recovered plaintiff back into a wheelchair or cast, or keeping him there, for the trial.

One of the most effective, and most insidious, techniques of demonstrative evidence is the use of a blackboard to implant figures—large ones—in jurors' minds. The plaintiff's attorney writes down, in the jury's presence, dollars-and-cents amounts sought for medical care, loss of earnings, pain and suffering, and so on.

Power of Suggestion Works With Jurors

Some of these figures can be proved, or computed with some degree of reason, but some—usually the largest ones—cannot. There are no set "price tags" that can be put on an eye, or an arm, or a leg, for example, and by no conceivable method can anyone compute a standard valuation for pain and suffering. Compensation was never intended as and couldn't possibly be a substitute for pain or loss of a limb.

Yet plaintiffs' attorneys often succeed in implanting their own high valuations in jurors' minds by continually referring to them and particularly by leaving them on the blackboard for a time. Though by law the jurors are charged with determining a fair and reasonable award based on the facts in each individual case, they can, by such methods, be influenced into adopting the attorney's figures as their own. As with subliminal TV advertising, the suggestion can be made so subtly that jurors actually are unaware the technique has been used.

Plaintiffs' figures always are high, naturally. Everyone would agree that no amount of money can really compensate a person for pain and suffering—but to hang on a price tag of $10 a day, or $5 an hour, or even $1,000 a minute, as some attorneys have done, is certainly unfair and unrealistic. Yet as the attorney dramatically re-enacts the anguish his client allegedly endured, and will endure, and breaks this down by the day, and the hour, and the minute, it is not difficult for him to convince the jury that an astronomically high figure is not only reasonable but even inadequate to compensate for such suffering. Realistic definitions of "fair" and "reasonable" are forgotten.

One method that has been demonstrated to convince a jury that a given damage figure is inadequate: Offer the jury three $1,000 bills, but stipulate that any taker must first lay his right wrist beside the bills and let the lawyer smash

Take that . . . and this!

it repeatedly with a sledgehammer until a compound fracture is produced. "Would you do that?" the plaintiff's attorney asks each juror. "Would you? Or you? Or you?" Even for $3,000, no one steps forward. Thus is the jury persuaded that $3,000 is a pitifully small award for a person who suffers such an injury.

Courts Move to Bar 'Trial by Blackboard'

Recognizing the effects of such misuse of demonstrative evidence, courts in several states have moved to halt or restrict it. Pennsylvania courts for years have barred the blackboard method of breaking down damages, and beginning with the New Jersey Supreme Court's ruling against it in the case of *Botta v. Brunner* last February, several other states have taken the same view. As other courts review similar cases, it is hoped they too will help curtail the use of unfair tactics to achieve excessive jury awards.

As Samuel Johnson once observed, "It is easier to be beneficent than to be just." But justice demands—and all society will be the better for it—that the courts and every individual juror keep in mind the creed Theodore Roosevelt put into words in 1904: "To see to it that every man has a square deal, no less and no more." ⊙

FRONTIER MONUMENT to safety

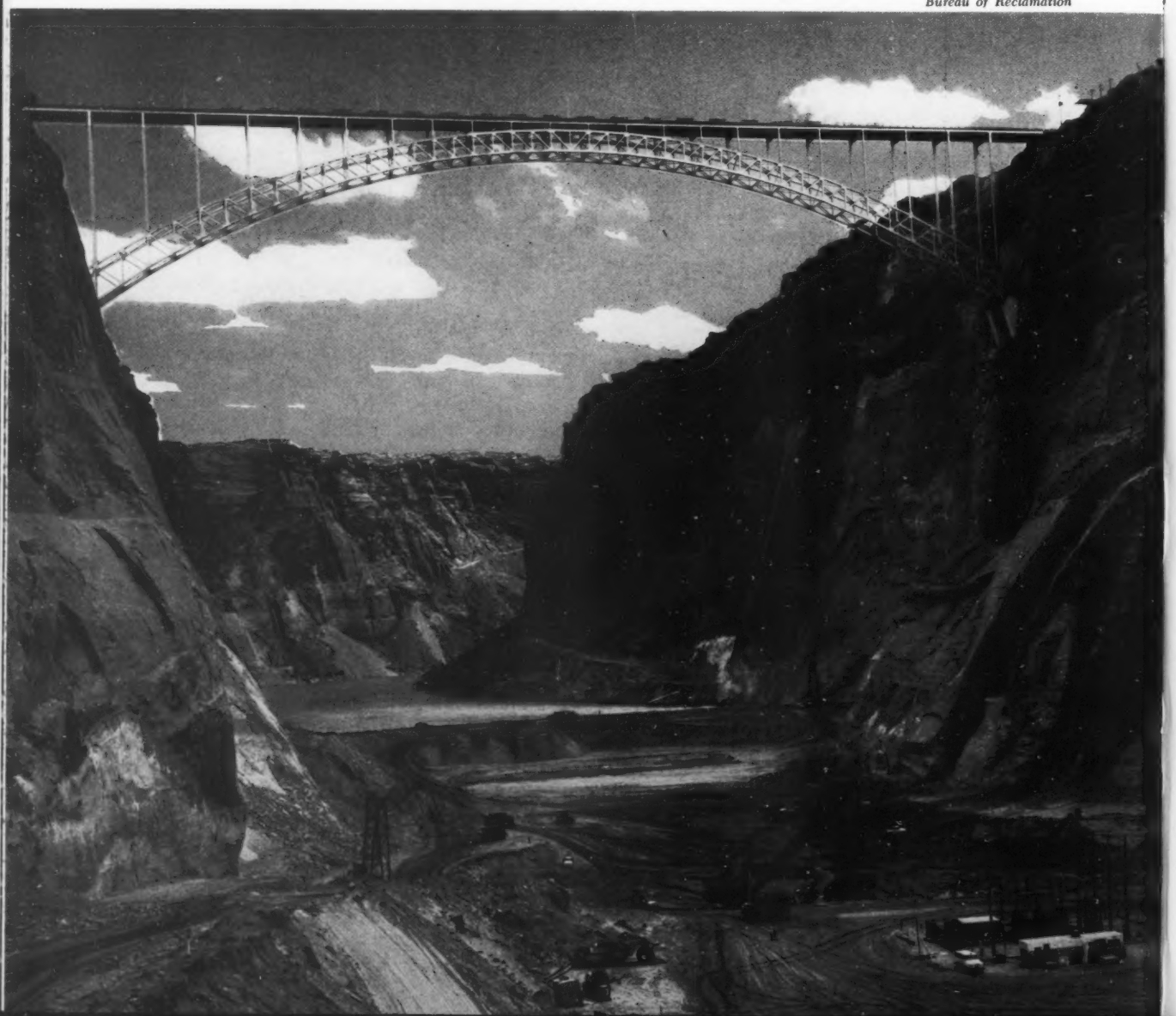
Record Glen Canyon arch is insurance model in loss-prevention safety.

ONE OF THE LAST FRONTIERS in the U. S. faces a bright new future starting in the 60's.

It is the Upper Colorado River Basin where the spectacular new Glen Canyon Bridge, essential adjunct of the Glen Canyon Dam, joins Utah and Arizona in what was formerly one of the most isolated and barren spots in the country. Glen Canyon Dam will be the colossus of three similar Department of the Interior projects assuring utilization of vast water resources and full development of the Upper Basin. This frontier may have been late in exploration, slow in settlement and limited in development, but it is destined for a giant awakening in the 60's.

As a key link in the projects, Glen Canyon Bridge is four times famous. It is the world's

Bureau of Reclamation



highest steel arch bridge, the second longest in the U. S., and when opened on February 20, 1959, had been completed five months ahead of schedule. Fourth, and most important insurance-wise, it was completed with a remarkable safety record of no fatalities and only a few lost-time injuries. Three workmen were saved from certain death when caught by the bridge's safety net.

As Francis J. Murphy, project manager for the bridge erecting companies, said, "It is a very satisfying thing to see a man come out of the net and lose only five minutes of work in a day rather than his life."

Fabricator of the bridge, which had a total weight of about 6,000 tons stretched across the canyon, was Judson Pacific-Murphy Division, Yuba Consolidated Industries, Inc.; the erection was done by a joint venture team of Kiewit—Judson Pacific-Murphy.

Mutual insurance, which is identified with some of the nation's greatest construction projects, can point to Glen Canyon Bridge as a monument to its principles of safety and loss prevention. For mutual insurance, purposed to prevent losses and provide protection at cost, has pioneered and developed many of the present-day safeguards for the construction industry. Other types of insurance have played a role, too. And the industry itself, down to the last man among workers, suppliers and contractors, must get the credit for making the safeguards work as notably as they did in the Glen Canyon project.

Like putting a man into space, topping out a job such as Glen Canyon Bridge with a near-perfect safety record is possible only with painstaking pre-planning.

A big pre-planning job in itself is the recruiting of a crew of 6,000 to 7,000 men, requiring the screening of no less than 40,000 to 50,000 men. Whether or not they are fitted for working from heights is just one consideration. Once the crew is mobilized, there is intensive job training and emphasis by means of training periods, booklets, tours, personal interviews, pay-envelope leaflets and all other means to keep safety and loss prevention foremost.

Prior to crew recruitment a vast amount of pre-planning has gone into setting up (1) medical facilities for the job—doctors, nurses and field hospitals, and (2) the staff of safety engineers and inspectors.

On the job, workmen on a project such as Glen Canyon, like the Romans of old, have their guardian penates, with insurers and contractors working hand-in-hand on continuous job inspection and supervision. The insurer's staff usually includes a field construction specialist and from one to three safety engineers assigned in an advisory role to the contractor's safety engineer. Local codes and rules must be observed, as well as standard procedures outlined in the manuals of the Associated General Contractors of America and the National Safety Council.

No more are loss of life, loss of limb, partial or total disability accepted as inevitable in the

American Institute of Steel Construction

Safety nets, here being hung out by the bridge steelworkers, saved three falling workmen from certain death on the valley floor some 700 feet below. With no deaths and few lost-time injuries, Glen Canyon was finished with an exemplary record.

Cresting the dam site, Glen Canyon Bridge is 700 feet above the water, is 1,271 feet long undergirded with an arch with a rise of 165 feet and a horizontal measurement of 1,028 feet.

Bureau of Reclamation Photos

Drilling and dynamiting for the bridge skewbacks were suspenseful tests both for safety and for insurance. Use of small charges avoided disturbing adjacent rock.

Inspection, a prime tenet of safety, is to be done on bridge-site wall by the two men being lowered in safety belts and with spreader bar to keep them apart. Third man on the boom directs the all-important signaling.

hazards of construction work, as was the case 35 or 40 years ago. It is now the rule rather than the exception that all craft superintendents attend a staff meeting held once every week by the project manager. Here both production and accident prevention are discussed. The insurer's engineer is present at this meeting at least as an observer but more likely to give an account of what he has noted that was exemplary or faulty since the previous meeting. Superintendents, in turn, hold meetings with their own foremen, who are the key men in safety records such as credited to Glen Canyon.

Insurance Provides a Four-Fold Service

Falls, because of the great heights and high winds, are the worst potential catastrophes on a project such as Glen Canyon. Stringing up safety nets is not enough by itself. The nets must be correctly maintained and regularly inspected. Otherwise the fate of the falling worker may be that of a carrier-based flier returning from a mission and finding no carrier.

Should a workman be injured despite all precautions and safeguards, modern-day insurance acts on four fronts, usually through a resident claim specialist. First, the man gets the necessary medical attention. Second, his workmen's compensation benefits are forthcoming. Third, rehabilitation of injured workmen is getting increasing attention from mutual insurance and other agencies. Fourth, thorough investigation is made to see if there is any remedial action that will prevent a recurrence of the accident. Additionally, everything possible is done by all concerned to care for the man's family.

Saving of human life transcends all financial considerations. But the stakes financially are high. Insurance premiums alone on a job such as Glen Canyon Bridge, where the contract bid was $4,139,277, may be as much as a quarter of a million dollars. The performance bond in the case of Glen Canyon was 40 per cent of the contract bid price, or $1,655,710.

No matter what the exact insurance dollars may be, keeping down losses is very much to the contractor's advantage in his debit-credit account with his insuring company. In the case of mutual insurance, the savings from loss reduction go back to the contractor in the form of dividends. Single mutual companies alone

have paid back hundreds of millions in such dividends in the past 40 or 50 years.

Insurance placement and administration in the case of Glen Canyon Bridge was handled by Miller & Ames, San Francisco, California.

For the most part, the workmen's compensation coverage was provided by the Arizona State Fund. Additionally, since California might have been involved in the contract of hire, a California workmen's compensation policy was written.

High limits of liability were purchased by the joint-venture contracting companies on the broadest form available, including bodily injury and property damage, plus modifications of the care, custody and control clauses.

Builder's risk coverage provided insurance in the total amount of $2 million and insured not only the bridge under construction but also camp facilities, shops and the contractor's equipment. Insofar as the work itself was concerned, the insurance had a deductible provision of $10,000. On camp site facilities and contractor's equipment, the deductible was $300.

Fidelity insurance, forgery coverage and other required forms were taken care of, wherever possible, by additions to other policies.

Insurance was given an additional role in the Glen Canyon Bridge project, occasioned by the fact that at the beginning there was a large amount of air travel by Kiewit—Judson Pacific-Murphy personnel. There was placed in force a personal accident policy covering all the key personnel who were using airplanes for transportation to any degree. Furthermore, there were instances in which non-owned aircraft were chartered or rented. For complete protection of the joint venture, this required the purchase of aircraft liability coverage on a non-owned basis.

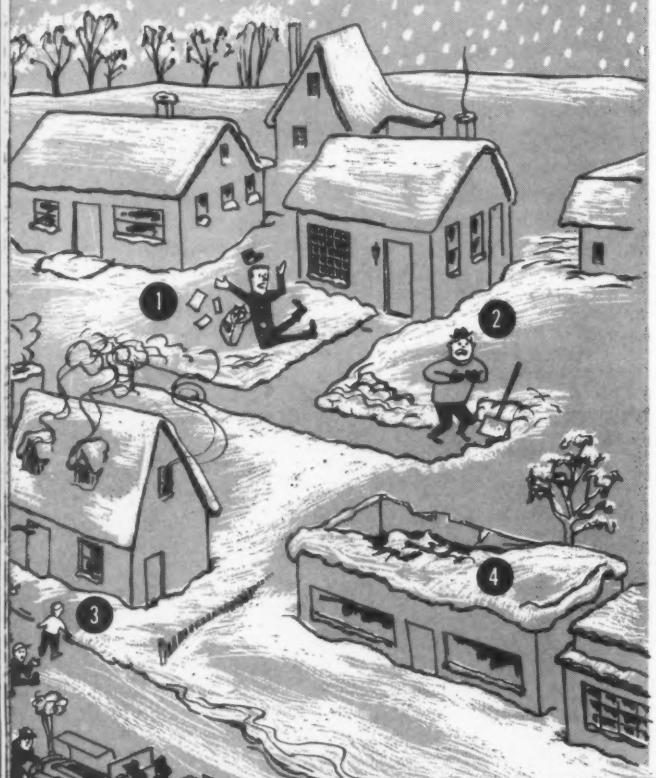
Today Glen Canyon Bridge stands not only as a monument to safety, to engineering and to insurance, but also as a magical short cut to travelers and to builders of Glen Canyon Dam. At that site in the pre-bridge days it was 200 miles from rim to rim of the canyon by existing roads and a crossing at Marble Canyon, Arizona. The bridge and its connecting highways not only create a new interstate link through an inaccessible but highly scenic corner of the nation but will also speed completion of the dam. Together, the bridge and the dam betoken eventful days starting in the 60's for an old frontier. ⊙

Ironworkers alert for placing the first piece of steel on its Glen Canyon Bridge bearing as it is lowered into position at the No. 1 skewback. Total steel in span is about 6,000 tons.

Near the climax of the engineering feats at Glen Canyon. Tie-back cables hold arch precisely for positioning of last chord in center gap. Tall-tower main cable, 25-tons capacity, was for steel setting; cage cable transported men and materials.

WHITE MAGIC . . . WIDESPREAD H

'Beautiful' snow is loaded with calamity for lives and property.



SNOW may be a downy blanket for Mother Earth, a "good packin'" delight to small boys and a spectacular construction material in the hands of the Army's Corps of Engineers. But heavy snow is likewise lethal. Already this winter it is well on its way to causing millions of dollars in property damage and no one knows what final toll in injuries and deaths.

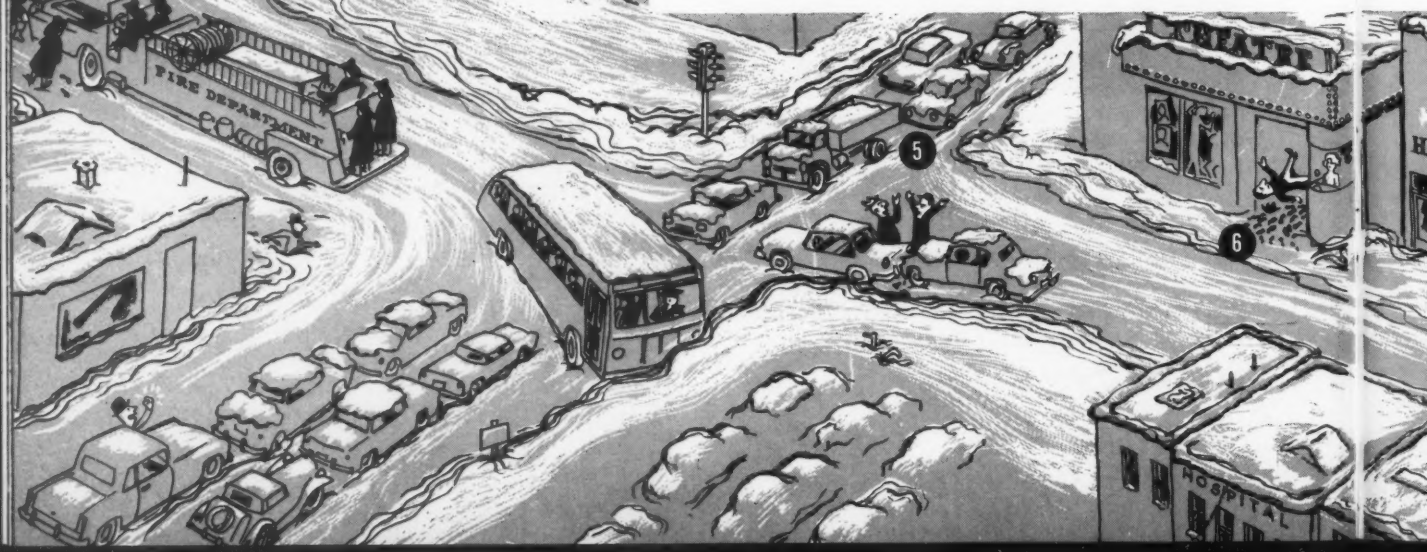
Its havoc this season got off to an early start with Montana's vicious November blizzards. In contrast, the fabled Blizzard of '88 didn't begin until mid-March, but then it took 200 lives and caused $20 million in property losses in New York City alone.

Despite these untimely disasters, January probably sets the all-time pace for calamitous snows, as well as recalling the greatest snowfall ever reported by any country for a calendar month. It was 390 inches, and fell on high slopes at Tamarack, California, in 1911.

Tragic Losses Recalled by January Storms

Then there was January, 1922. The audience in the Knickerbocker Theater in Washington, D. C., was chuckling over a slapstick two-reeler when the roof collapsed under 29 inches of snow. Substantial property damage was secondary to 95 lives lost and many more injuries sustained.

Another January, in 1938, produced all too



HAVOC

costly evidence of a different hazard always inherent in heavy snowfall. Storm-plagued firemen fighting a major blaze in Marquette, Michigan, were severely handicapped by drifts and high winds which also stalled help from neighboring cities. Final losses: $225,000.

Ice Also Feared for Disastrous Effects

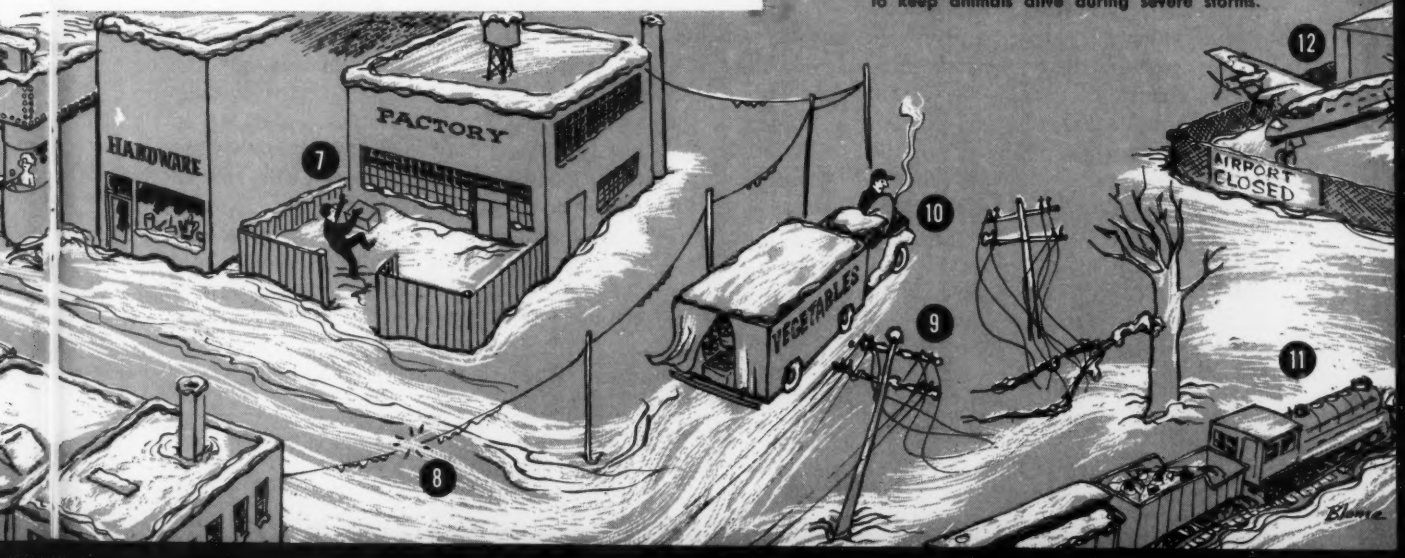
Ice storms are potent partners of blizzards in triggering winter tragedy, and January, 1951, brought forth one of the worst of recent years. It cut a 100-mile-wide swath through Louisiana, northern Alabama, Tennessee, Kentucky and West Virginia, leaving roofs caved in and thousands of homes without electricity. The U. S. Weather Bureau reported assessable damage to trees, power and communication lines, buildings, livestock and crops at nearly $80 million. Additional losses to transportation and other industries ran several millions more.

Deceptively beautiful, but bitterly destructive, the snow-ice-cold wave combination provokes an all-season insurance-modification of James Russell Lowell's classic *First Snowfall:*

> The snow had begun in the gloaming
> And busily all the night
> Had been heaping field and highway
> With a *hazard* deep and white. ⊙

Decorative—But Dangerous

1. Slippery snow is a major cause of bad falls, which run second to motor vehicle mishaps in number of accidental deaths in the nation.
2. Life and health insurance records show that shoveling sidewalks, pushing stalled autos and other snow-caused exertions inevitably raise annual heart attack and injury tolls.
3. Fires increase in winter, with defective and overworked heating plants the major causes. Snow and ice hamper firemen, boost losses.
4. Compared to windstorms, snow is a minor hazard to roofs, but can be costly if it merely approaches world's record fall for 24 hours, 76 inches at Silver Lake, Colorado, in 1921.
5. Heavy snow piles up insurance claims for minor damages and towing costs, but spotty ice and snow cause more serious auto accidents.
6. Claims under liability insurance on commercial properties reflect high number of falls caused by snow being tracked into buildings.
7. Psychologists say human efficiency decreases in the winter. At the same time, hazards to worker safety are multiplied by bad weather.
8. Ice storms have thrown cities into darkness and silenced phones over a wide area. Telephone company engineers say five states are all that are free from this dreaded hazard.
9. Snow-laden trees, a major danger to utility lines, also annually damage homes, autos.
10. Perishables en route to market are a likely loss if a sudden storm strikes, but can be safely insured. Theft of insured goods in transit during storms is reported to be low.
11. Flood-induced landslides trapped trains in Washington early this winter, but blizzards are even more feared, have necessitated dramatic helicopter, ski team rescue efforts.
12. Storm-closed airports mean not only sizable snow removal expenses and canceled flights, but important indirect losses from business passenger delay, overdue freight and mail.
13. Snow is a million-dollar threat to ranchers, farmers, in past has led to airlifting feed to keep animals alive during severe storms.



Young America might well be listening to the cautionary fact that auto insurance premium rates suffer because of too many mishaps with bicycles. The year's toll (1958) was 480 deaths and 31,000 injured.

CYCLING IN THE 60'S

Object lesson in automobile insurance-rate problem looms up in bike "cavalcade."

THERE'S MANY a Christmas bicycle to prove it: A fad of the 80's and 90's is here to stay. In fact, this post-Christmas season the U. S. will be counting its bicycles in record cavalcade numbers of 27 million.

Shiny new or rusty old, every one of these bicycles mirrors the reasons for increasing automobile insurance rates: Too many accidents, injuries and deaths; big-sum jury awards; rising costs of repairing property and people; overinflated claims, and general economic inflation.

Deaths totaling 480 resulted from motor vehicle collisions with bicycles in 1958, according to most recent figures reported by the National Safety Council. True, that was a slight drop from the previous year, but it is next to the highest annual total for the past 10 years. And in those 10 years motor vehicle/bicycle deaths were 4,600.

Costly and regrettable, too, is the record of 31,000 persons of all ages injured in motor vehicle/bicycle accidents in 1958 alone.

Rising jury verdicts in such death and accident cases are a factor pushing up the public's insurance premiums. An award of $3,000 in the bicycle/automobile death of a 10-year-old boy has been held inadequate by the court. In auto/bike cases and in others as well, the trend is toward substantially higher damages for the death of young children. Accident cases involving adults show the same trend.

Symptomatic of what is happening are the statistics for New York State. There the average jury award in bodily injury suits was $3,500 in 1941 but swollen to $11,200 in 1957, a rise of 221 per cent. During the same period the rise in the consumer index was 94 per cent.

All causes included, cost of highway accidents has been estimated between $5.4 billion and $7.25 billion annually in recent years, with a projection to $9.5 billion by 1975. In meeting

their obligations in this annually recurring tragedy, insurance companies have lost hundreds of millions of dollars in the past 10 years under premium rates which have lagged behind the increases in other essential commodities and services. The public's alternative to rising automobile insurance rates is fewer accidents at less cost.

Cyclists pedaled against few risks from automobiles when bicycling first came into vogue in the U. S. about 1868. Thirty-two years later, in 1900, bicycles outnumbered automobiles 2500 to 1, for then there were about 10 million bicycles being used for travel and pleasure as compared to a mere 4,000 autos.

Both traffic laws and conditions have changed markedly since then, with motor vehicle registrations pyramided to about 70.4 million. The record number of 27 million bicycles adds to the congestion.

Half the bicyclists injured or killed in traffic accidents were violating a traffic law at the time of the accident, according to surveys reported by the National Safety Council. Most common traffic violations of cyclists are failing to yield the right of way, cutting in or out of traffic, speed too fast for conditions, disregard of control devices, riding against traffic and improper turning.

Bicycle traffic and parking problems have been crucial for the times ever since the "safety" bicycle came into large scale manufacture for the first time in 1889. Prior to that the "wheels" manufactured in the U. S. were dangerous contrivances consisting of one large wheel with pedals, and a small wheel attached to the first by a curved "backbone." The larger the front wheel, the greater the potential speed. By the 1880's front wheels had been expanded to diameters as big as 64 inches, the limit being the length of the rider's legs. But short or tall, if riders of the old high wheelers shifted their weight too far forward, they took a "header."

The 1889 "safety" bicycle was generally the same as the models of today with two wheels of equal size. Refinements have been added from time to time. In fact some 8,000 patents for cycles and their parts were granted in the 20 years following the introduction of the "safety" model. Safety devices which are now prescribed in the model regulations for city bicycle ordinances, Uniform Traffic Laws and Ordinances, are lamps, a bell or other signaling device and a brake effective enough for the operator to make the braked wheel skid on dry, level, clean pavement.

At least one man has ridden a bicycle 2,093.4 miles without serious mishap. He was Charlie Miller, who pedaled this distance for the six-day bicycle record under one-man rules at Madison Square Garden in 1898. Most of his competitors ended in hospitals, ill from exhaustion.

Today to protect against hospitalization and mishaps in bicycling, a dozen or so national organizations are putting out films and literature on bicycle safety. That's promising in the light of another bit of bicycle history. The League of American Wheelmen organized in 1880 was a leader in the agitation for good roads. Today's riders of the record 27 million bicycles will really make history if they put the brakes on accident numbers and costs and thereby help eliminate some of the reasons why automobile insurance rates go up. ⊙

Bicycle Institute of America, Inc., Photos

Traffic and insurance had few loss and rate problems even with 1 million bikes in these Gay 90's days of family cycling. Today with 27 million bicycles and some 70 million motor vehicles, the highway toll has put increasing pressure on insurance rates.

THIEVES NEVER HAD IT SO GOOD

Crimes against property are increasing one-third faster than population in U. S. cities.

BILLY THE KID and Rattlesnake Pete have long since faded from the national scene, but their modern counterparts have moved uptown and turned thievery into a multi-million dollar business.

Residents of America's larger cities, of more than a quarter million population, now run about one chance in 44 of being robbed of their money, merchandise or automobile sometime during the year. In 1950 the odds were 1 in 59.

Crimes against property have increased alarmingly since 1950, outstripping population growth in cities of all sizes. Urban auto theft rates have jumped 42.6 per cent nationwide, and other kinds of theft are up 35.7 per cent.

Since insurance costs are based on losses, this steady increase in thievery has exerted an upward pressure on auto and property insurance rates in areas where law enforcement has failed to keep pace.

Often overlooked, however, is the fact that businesses with good loss records actually paid less for crime insurance in 1958 than in 1950 —even in cities where the theft rate increased. Service stations in Los Angeles, for example, paid $107 for a $1,000 burglary and robbery policy in 1950. In 1958, the cost was $90. A station in Wilmington, Delaware, would have paid $44.12 in 1950 and only $32.50 in 1958, benefiting from Wilmington's lower theft rates and an improvement in service station losses.

In good times and bad, businesses and communities make their own insurance rates by how well they protect themselves. ⊙

AN EIGHT-YEAR BOOM IN THIEVERY

Number of auto thefts per 100,000 population

Cities	1950	1958	% Increase
More than 250,000 population	195.1	314.0	+60.9
100,000 to 250,000	186.4	258.7	+38.8
50,000 to 100,000	149.7	188.7	+26.1
25,000 to 50,000	120.1	139.4	+16.1
10,000 to 25,000	95.9	107.4	+12.0
Less than 10,000	76.3	78.0	+ 2.2
Urban National Average	153.4	218.8	+42.6

Burglaries, Robberies, Larcenies per 100,000 population

Cities	1950	1958	% Increase
More than 250,000 population	1504.8	1995.7	+32.6
100,000 to 250,000	1479.9	1629.1	+10.1
50,000 to 100,000	1335.4	1794.1	+34.3
25,000 to 50,000	1220.3	1615.4	+32.4
10,000 to 25,000	1042.4	1408.3	+35.1
Less than 10,000	781.8	1032.2	+32.0
Urban National Average	1301.3	1766.6	+35.7

in nationwide upsurge, hits big city motorists the hardest

Best and Worst Cities—Auto Theft

Among the 174 "Standard Metropolitan Areas" listed by the Census Bureau, here are the 10 best and 10 worst cities for auto theft, based on 1958 FBI Uniform Crime Reports:

	Population	Cars stolen per 100,000 population
Ten best		
Lancaster, Pa.	249,499	40.5
Galveston, Tex.	145,822	44.6
Wilkes-Barre-Hazelton, Pa.	369,720	51.1
Binghamton, N. Y.	206,405	52.8
Allentown-Bethlehem-Easton, Pa.	495,458	60.1
Pittsfield, Mass.	137,950	60.2
Cedar Rapids, Ia.	127,832	61.0
Harrisburg, Pa.	314,019	62.7
Waterloo, Ia.	126,053	65.8
Springfield, O.	120,787	66.0
Ten worst		
Albuquerque, N. M.	215,907	638.7
Phoenix, Ariz.	548,714	584.1
New Orleans, La.	819,913	560.2
Tucson, Ariz.	246,054	457.2
Louisville, Ky.	719,054	434.9
Los Angeles-Long Beach, Calif.	6,191,633	416.7
El Paso, Tex.	295,426	411.3
San Antonio, Tex.	619,911	390.1
Savannah, Ga.	198,224	386.9
Pueblo, Colo.	120,476	381.8

Auto theft rates per 100,000 population, by states

NATIONAL AVERAGE 156.4

200 or more		100 to 200		less than 100	
Arizona	434.0	Louisiana	197.7	Idaho	97.1
New Mexico	357.3	Washington	182.1	Maine	95.4
California	323.2	Michigan	175.3	South Carolina	93.0
Nevada	292.3	Missouri	175.1	Vermont	86.7
Colorado	240.0	Texas	174.1	Wisconsin	85.2
Maryland	232.4	Florida	173.6	Kansas	82.4
Massachusetts	226.5	New Jersey	161.1	Alabama	81.2
Rhode Island	222.5	Delaware	154.2	West Virginia	78.5
		Kentucky	152.6	North Carolina	72.7
		Utah	152.6	South Dakota	71.4
		New York	149.9	North Dakota	68.7
		Georgia	149.6	Arkansas	68.6
		Oklahoma	142.5	New Hampshire	66.7
		Indiana	141.3	Iowa	62.2
		Wyoming	141.3	Mississippi	32.2
		Montana	139.6		
		Virginia	132.4		
		Tennessee	131.9		
		Ohio	130.2		
		Oregon	118.4		
		Pennsylvania	113.1		
		Connecticut	109.3		
		Minnesota	106.9		
		Illinois	105.6		
		Nebraska	103.3		

rs and thieves now victimize 1 out of 56 Americans every year

Best and Worst Cities—Burglary, Robbery and Larceny

Among the 174 "Standard Metropolitan Areas" listed by the Census Bureau, here are the 10 best and 10 worst cities for burglary, robbery and larceny, based on 1958 FBI Uniform Crime Reports:

	Population	Crime per 100,000 population
Ten best		
Utica-Rome, N. Y.	297,066	225.2
Wilkes-Barre-Hazelton, Pa.	369,720	229.7
Altoona, Pa.	141,927	258.6
Scranton, Pa.	240,677	260.1
St. Joseph, Mo.	103,035	290.2
Johnstown, Pa.	285,227	290.6
Allentown-Bethlehem-Easton, Pa.	495,458	291.0
Green Bay, Wis.	123,659	297.6
Lancaster, Pa.	249,499	297.8
Manchester, N. H.	175,876	298.6
Ten worst		
Los Angeles-Long Beach, Calif.	6,191,633	1,870.1
Miami, Fla.	841,481	1,822.8
Jacksonville, Fla.	425,518	1,612.7
Stockton, Calif.	233,566	1,510.9
Oklahoma City, Okla.	443,664	1,440.4
Phoenix, Ariz.	548,714	1,402.1
Lubbock, Tex.	166,812	1,300.3
Tucson, Ariz.	246,054	1,258.7
Nashville, Tenn.	358,606	1,237.8
Orlando, Fla.	236,109	1,227.4

Burglary, robbery and larceny rates per 100,000, by states

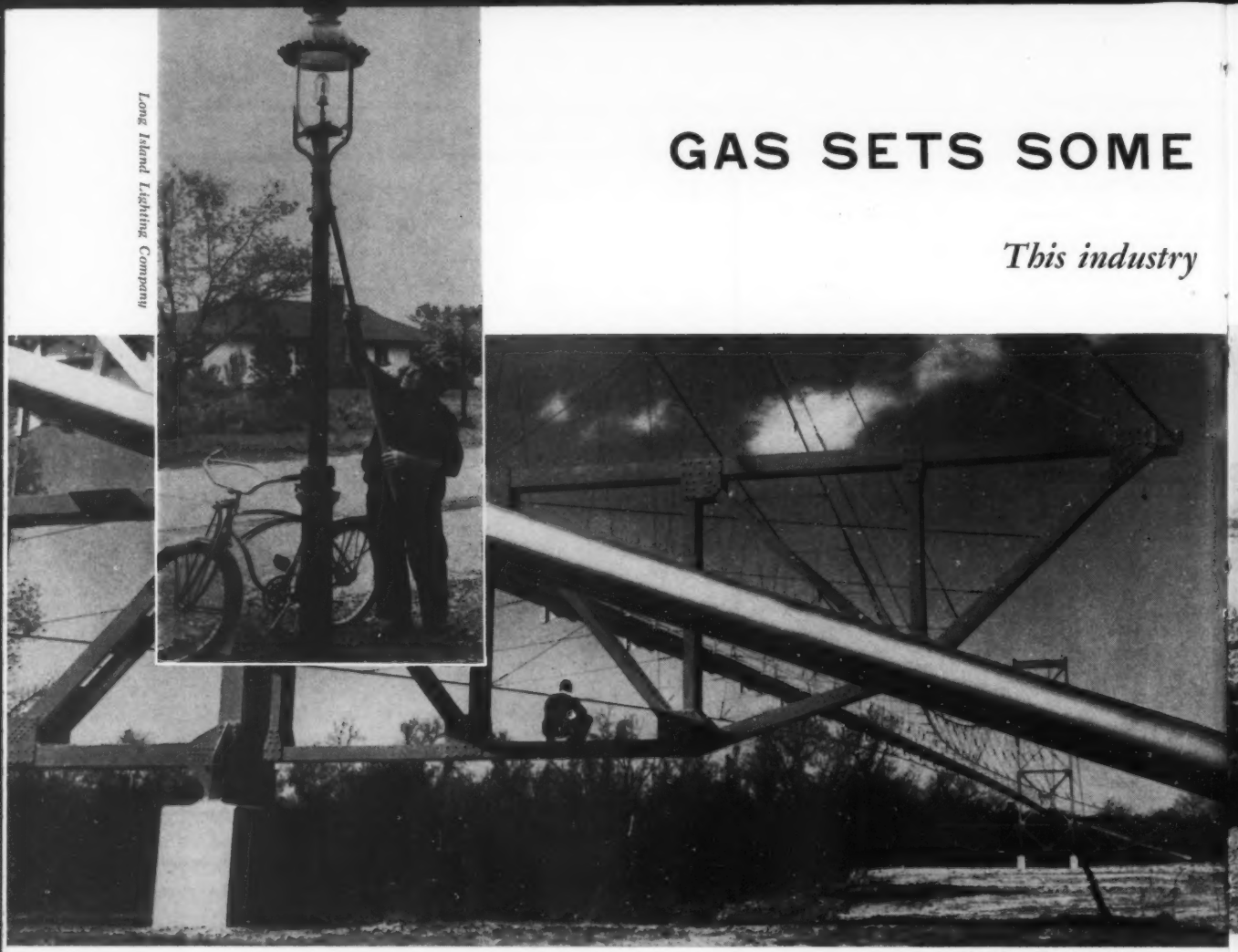
National Average 701.9

700 or more		500 to 700		less than 500	
California	1336.4	New York	689.0	Minnesota	492.9
Nevada	1260.6	Wyoming	687.6	Alabama	491.0
Arizona	1159.5	Michigan	681.9	Arkansas	486.4
Florida	1066.2	Utah	633.2	Kentucky	485.2
Colorado	912.1	Oregon	646.7	Pennsylvania	484.7
Rhode Island	819.1	Delaware	635.2	Missouri	472.6
Washington	784.2	Indiana	628.3	South Dakota	398.5
New Mexico	761.6	Montana	609.7	North Carolina	383.5
Nebraska	745.0	Illinois	608.2	Iowa	367.0
Texas	739.0	New Jersey	604.4	Vermont	365.0
Oklahoma	734.3	Maryland	587.7	Maine	355.9
		Tennessee	584.8	Wisconsin	355.9
		Georgia	576.7	New Hampshire	332.6
		Virginia	561.9	West Virginia	313.0
		South Carolina	551.3	North Dakota	309.3
		Idaho	542.4	Mississippi	235.9
		Ohio	533.7		
		Massachusetts	527.1		
		Connecticut	518.2		
		Louisiana	516.3		
		Kansas	503.9		

Source: FBI 1958 Uniform Crime Reports

GAS SETS SOME H

This industry lo



Long Island Lighting Company

American Gas Association

When former lamplighter William Bartell, of Long Island, New York, first made his rounds, gas accounted for less than five per cent of all U. S. energy needs. Today the industry supplies near 30 per cent, utilizes 600,000 miles of pipelines.

OLD-TIMERS may be right: Winters aren't what they used to be.

Confirmation comes via statisticians of the U. S. gas industry, who report "recent investigations indicate the existence of a long-term trend toward warmer winters in most regions of the country."

Nevertheless, chill weather this month will likely spur another new record in purchases by 38 million gas customers, nearly half of whom use the ever more popular fuel to heat their homes. With January almost always the peak month, the first quarter is the busiest of the year for American gas companies.

Likewise, operations projected by the nation's sixth largest industry in plant investments suggest that gas men aren't too alarmed by a mellowing Old Man Winter. Construction expenditures through 1970 are forecast at $31 billion. The industry plans to add a million customers and 25,000 miles of mains a year in the 60's.

More than three-quarters of a million miles of pipeline will be in use by 1970, and gross plant expenditures, near $22 billion this year, will more than double in the decade ahead.

The gas industry's energetic expansion is gaining strong support from American insurance. U. S. life insurance companies report that 23 per cent of their combined public utility bond holdings now are accounted for by gas utility

HIGH GAUGES

looks to 10 million new customers in the 60's, besides today's 38 million.

H. C. Price

Natural gas came to New England via a 24-inch pipe run from the deep South. Every major area of the nation is supplied with natural gas today. Despite hazards, gas workers have improved the industry's safety record for 11 straight years.

Allis-Chalmers

Swampland was the biggest challenge to the longest pipeline project now underway in the free world, bridging Texas and Florida. Opened last year, the main transmission line cost $161 million. Entire system will have 2,600 miles of pipe.

and natural gas pipeline investments. That amounts to nearly $4 billion in gas capital provided by insurance, an increase of approximately 25 per cent in the past three years.

Such close ties with insurance are uniquely appropriate. The gas industry was founded in Baltimore around the turn of the 19th century, the period that also gave birth to Baltimore's first fire insurance company. It was the Baltimore Equitable Society, the fourth mutual to be formed in the U. S.; it prospers today as the

United Gas Corporation

Drilling platform off Louisiana coast is part of continual search for new gas reserves, now estimated at 254 trillion cubic feet. Proved recoverable reserves discovered steadily exceed annual natural gas production. Only about one well out of every 40 drilled in undeveloped areas is profitable.

oldest existing business corporation chartered under the laws of Maryland.

Joseph Townsend, guiding spirit behind the Society's founding and its first chief executive, had interests in common with his city's early gas advocates. Among many civic assignments, Townsend served on the commission responsible for the streets through which, as the Baltimore Equitable Society was issuing its early policies, the first gas pipes in the nation were laid.

Today more than 1,250 local gas utilities, some 100 transmission companies and thousands of "bottled gas" firms are supplying fuel for seven major domestic uses and about 25,000 applications in industry. Three-quarters of all Americans now have home gas service, and more than 95 million gas appliances are in daily use.

Commercial customers also are salient in the gas scheme. Last year more than 95 per cent of the 65 million meals served daily in public dining rooms were cooked by gas.

The industry's 205,000 employees, more than 90 per cent of whom are engaged in natural gas operations, represent a $1 billion annual payroll and a safety record which has improved steadily for 11 straight years. Though somewhat more hazardous than the average for all U. S. industries, the gas business has brought its accident frequency rate to an all-time low.

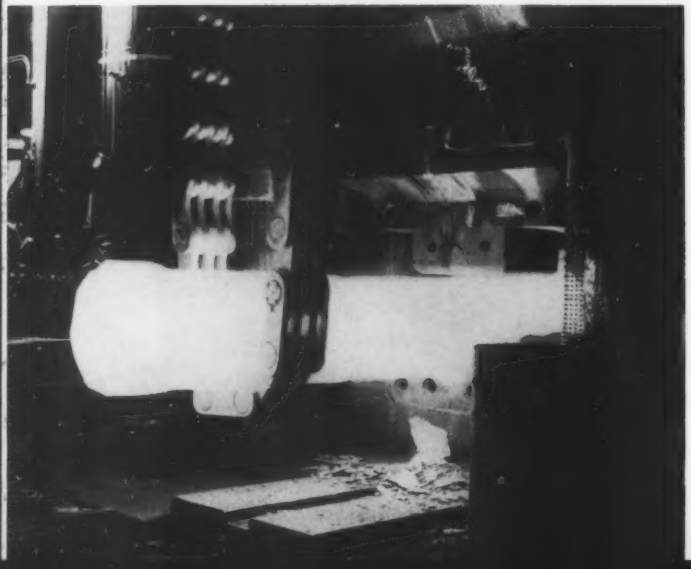
Even so, gas firms aren't letting up; rather, they hope to see the industry's current safety record topped soon. To become the new champ, some gas company will have to outdo the efforts of accident-conscious employees of the Southern Natural Gas Company of Birmingham, Alabama. They've logged more than 5½ million man-hours without an injury. ⊙

American Gas Association Photos

More than 6,000 models of gas appliances are tested annually in two American Gas Association laboratories. Requirements for receiving the AGA Approval Seal are established with the cooperation of national insurance and safety organizations.

Mutual insurance has softened serious losses stemming from gas leaks and resulting explosions in the past. Infra-red and sonic leak detection devices are among latest developed to guard public safety, and all natural gas is now odorized.

Equitable Gas



Forging of heavy ingot under gas heat in a Pittsburgh steel mill typifies industrial use of gas. The fuel is also used widely in food processing, printing, textile manufacturing, and in production of electronic equipment, plastics, paint.

FROM OUR ANNALS

Our First Global Statesman

BENJAMIN FRANKLIN

January 17, 1706—April 17, 1790

THESE DAYS of summit meetings, of world conclaves and of visits among the top men of governments are a seeming unfolding of destiny on the scene where America's first international statesman — Benjamin Franklin — made prophetic history.

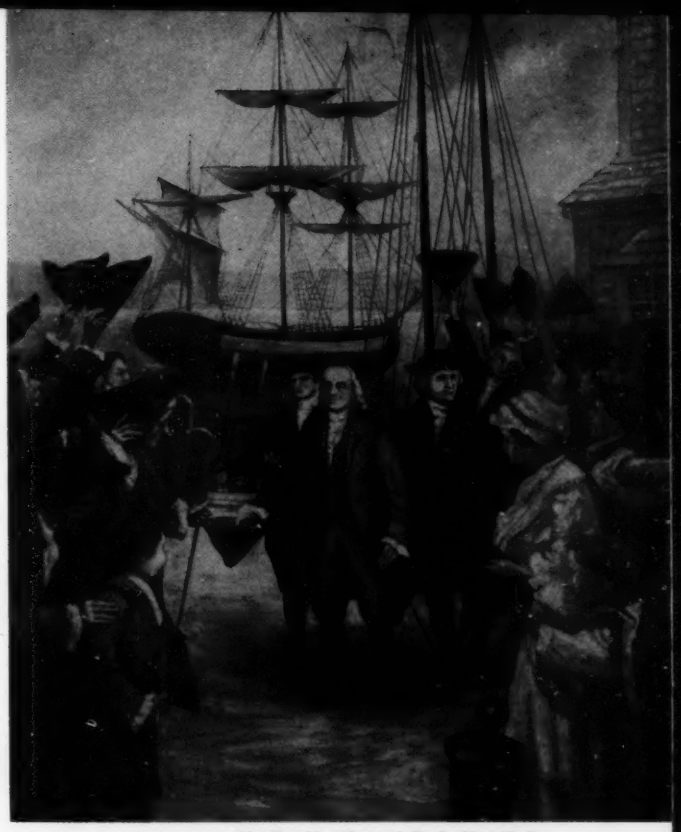
Born 254 years ago this month, and having served 24 years abroad in the service of his country, he thought it possible for the world to go far in reaching the goal of permanent peace within 200 or 300 years. That comes so close to being 1960 as to be almost uncanny.

On the home scene no monument to him shines brighter this anniversary month than the insurance industry which grew from his co-founding in 1752 of the mutual Philadelphia Contributionship, today the oldest active insurance company in the U. S.

On the world scene, in these summit-studded days, no distinction does him more honor than the French peer Mirabeau's tribute: "He poured a flood of light all over Europe."

Today, when a single crossing of the Atlantic by a world figure quickens the international pulse, Franklin's greatness is accented by his eight crossings. In 1757 he went to England to press the tax claims of the Pennsylvania Assembly in the Penn case and from 1764 to 1775 he was in England as the agent for Pennsylvania, serving also at various times as agent for Georgia, New Jersey and Massachusetts. During this period, as unofficial ambassador of the colonies, he brought about British repeal of the Stamp Act.

Back home in 1775 just before the Revolution, he was one of three commissioners sent to obtain the aid of Canada in 1776. But his greatest "summit" roles were still to come. With two other commissioners, he was dispatched to France where he served as American representative from 1776 to 1785 and where, in 1778, he concluded the Treaty of Alliance with the French. It is said to be the only treaty of alliance made by the U. S. until the North Atlantic Treaty Organization, April 4, 1949. In 1783 Franklin was one of the negotiators of the Treaty of Peace with Great Britain.



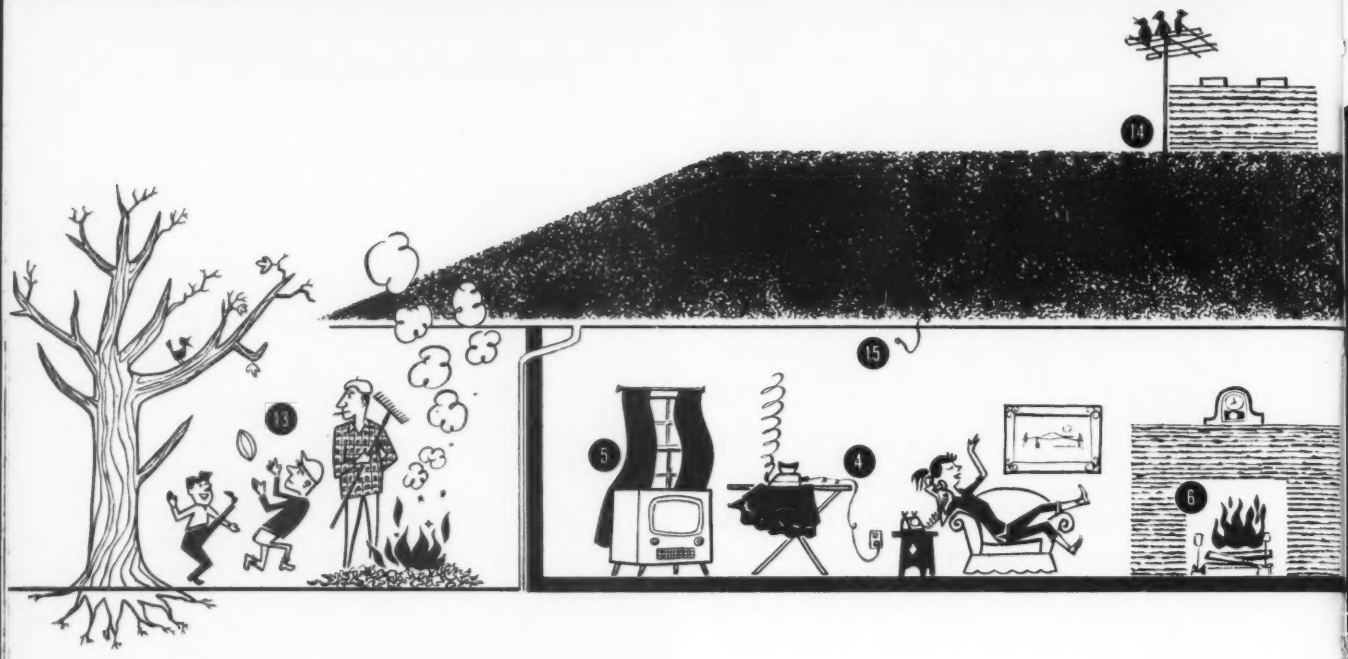
The Franklin National Bank, New York

Franklin's triumphant homecoming from France, 1785, age 80.

Thus Franklin alone of all patriots signed all four of the great state papers that achieved our independence, the other two being the Declaration of Independence and the Constitution.

Paris, a present-day focal point of world affairs, was so taken with Franklin in the 1770's that Frenchmen paid for seats in windows to watch him ride by in his carriage. No American of his time was painted so often by so many artists of different countries. In world scientific and education circles, he was a member of 25 of the leading societies in eight countries.

Espousing international travel by top government officials in the cause of peace and understanding, Franklin said 180 years ago, ". . . 1,000 leagues have nearly the same effect with 1,000 years." ⊙



EARTH-MAN CHALLENGE: HOME FIRE CONTROL

Half a million families burned out annually suffer 'space' problems at their worst.

WHILE UNPRECEDENTED efforts are made to put a man in space, a centuries-old and sadly neglected "space" problem persists right here on earth.

It is the problem of whole families—thousands of them—left out in space by burned-out homes.

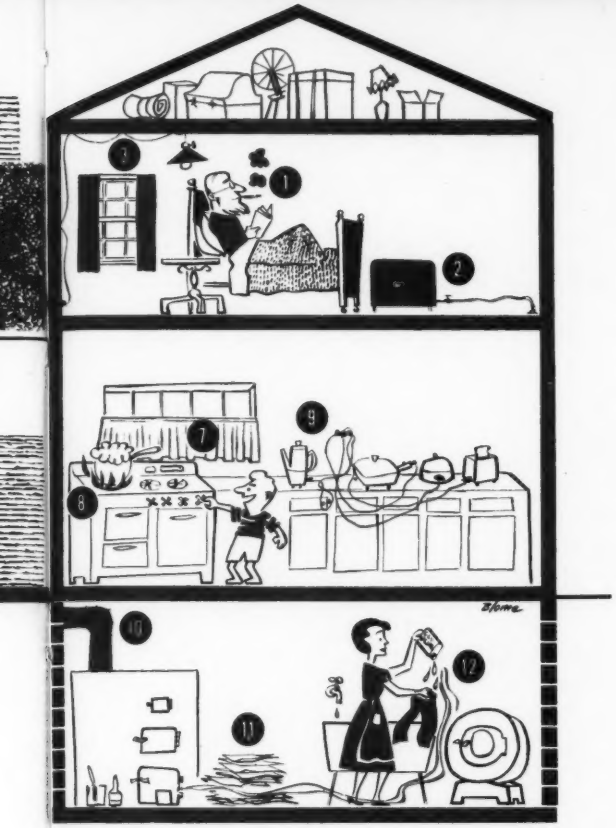
For 1959 the toll may be even worse than the 1958 record of more than half a million homes burned out at a loss of $309 million. Final figures for the year just ended are still being totaled by the National Fire Protection Association.

Fire deaths alone for the first eight months of 1959 were up nearly 2 per cent from 1958, according to preliminary figures compiled by the National Safety Council. At that rate, 1959 will top the 1958 record of 5,700 home fire deaths, plus 250,000 disabling injuries.

Even these grim statistics do not reveal the full extent of the tragedy. More than one-third of those who die when fire strikes the home are children; another third are elderly persons and invalids. As any fireman knows, many of these helpless victims die needlessly because no intelligent efforts are made to save them until too late.

Too often, those responsible for the family's safety have devoted no advance thought whatever to eliminating fire hazards, nor to planning what to do in case a fire does occur.

Fire insurance engineers recommend that every family work out a home escape plan, with alternate ways to get out of every room. This is particularly important for second-story bedrooms and "do-it-yourself" children's rooms built in the attic. Open stairways leading to upper rooms can become chimneys for toxic fumes and smoke, blocking the usual exits and suffocating the victims long before flames reach them.



Family 'hazard hunt' can uncover trouble in every room.

BEDROOM
More than half of all fatal fires start in the bedroom, usually from smoking in bed (1). Smokers who doze off and set themselves afire may suffocate before they are awakened by the heat. Second most common bedroom fire hazard is defective heaters. Gas and oil heaters (2) can suffocate persons sleeping in a closed room, and set fires through leakage. To prevent seepage of explosive vapor, cutoff valve on flexible fuel lines should be placed at the point where they branch off the main line. Bedrooms never seem to have enough electrical outlets, encouraging dangerous use of extension cords (3).

LIVING ROOM
Electric irons (4) should be disconnected or placed on a ventilated metal stand when the user is interrupted. TV sets create heat, can start a fire if placed too close to furniture or drapes (5). Open fireplaces (6) should be screened to keep embers from falling onto rug.

KITCHEN
Defective stoves can cause explosions from leaking gas and kerosene vapors, and even a new stove can present fire hazards. Among them are too-close curtains (7) and grease spilled in the oven or burners (8). Best way to put out a grease fire is to turn off the burner and smother the flames with a pan lid, soda or salt. Children should never be left unattended around fire. Overloaded circuits (9) are dangerous anywhere.

BASEMENT
Defective heating equipment, most often located in the basement, accounts for 20 per cent of all home fires. Common hazards include overheating old furnaces, smokepipes installed too close to ceilings and walls (10), and rubbish piled near sparks and hot ashes (11). Storage and use of flammable cleaning fluids (12) in the same room with open flame is an invitation to disaster. Dangerous fluids include gasoline, naphtha.

YARD
Rubbish fires caused 57,900 buildings to burn in 1958. Leaves and trash (13) should be burned well away from buildings, in an incinerator equipped with a wire mesh top to catch flying embers. Avoid outdoor fires on windy days, and keep a garden hose with spray nozzle handy.

ROOF
Lightning striking an improperly installed TV antenna will follow the wire (14) right into the TV set, ruining it and probably setting the house afire. Antenna mast should be grounded to a metal stake driven into the soil, and all wires insulated to keep them from touching the house. Lead-in wire needs a second ground and a lightning arrestor at the point (15) where it enters the house. Better yet, put the TV antenna inside the attic for protection from lightning, storms and corrosion. Reception is unaffected. For all-around protection, approved lightning rods are still an excellent investment.

The value of advance planning was demonstrated in Billings, Montana, when 10-year-old Kathy Mueller discovered a fire in the basement. She alerted tenants and fled to safety in bare feet and sub-freezing temperatures with her three younger brothers, aged 5, 4, and 18 months. Just the week before, she had come home from an insurance-sponsored fire safety program at school and persuaded her parents to hold a home fire drill.

A growing number of communities are pushing home fire inspections by local fire departments, but the search for hazards need not await the firemen. Home owners can head off many hazards by having the heating system inspected at least once a year by a professional inspector, and by having all wiring done by qualified electricians.

In addition, each member of the family can take part in an attic-to-basement search for bad wiring, overloaded circuits, rubbish, improperly stored flammable liquids and other hazards that might result in a home fire. The danger spots illustrated here are good places to start. ⊙

SPIRAL-WINGED WONDERS

Valuable and versatile, helicopters are whirling into their own air-age heyday.

"A MILESTONE in the history of aviation." That's what former Secretary of the Air Force Thomas K. Finletter said of Igor Sikorsky and those fabulous flying machines, the helicopters.

The accolade was apt. It's barely 20 years since Sikorsky successfully flew straight up for the first time. Yet today, versatile "choppers" are bidding fair to be the short-haul transportation favorites and all-around handybirds of the 60's.

More than 600 helicopters produced by 10 manufacturers and ranging in size from 3 to 15 seats are now being operated throughout North America. While scheduled passenger lines are kept hopping in Chicago, Los Angeles and New York, some 150 commercial helicopter services, more than 75 corporations and 19 state and federal agencies are finding new uses for their own whirlybirds almost daily.

From these diversified operations, new and unusual risks are being regularly brought to aviation insurance underwriters, including the request recently received by one firm for coverage on a helicopter carrying a church steeple to its foundation.

Grossing about $40 million a year, commercial operators alone have developed extensive property protection needs with capital investments in planes, equipment, parts and tools now in excess of $60 million.

As to passenger operations, they are thriving in the wake of new jet mainliner services and metropolitan traffic congestion. This branch of the industry is just coming into its own, in the opinion of Executive Vice President Wes Moore of Chicago Helicopter Airways. Few observers are in a better position to prognosticate.

Moore guides by far the busiest helicopter service in the world today. It carried a world's record 205,000 passengers in 1959 and antici-

Chicago Helicopter Airways possesses an enviable no-accident record spanning more than 10 years and 4 million miles of mail, passenger operations. The youngest and largest of the four scheduled helicopter passenger lines in the world today, the firm has 27 pilots, 10 of whom have totaled some 65,000 hours helicopter flying time. CHA recently ordered six new 25-passenger Sikorsky S-61 turbocopters in the light of a unique situation: For the first time in history, passenger service demands exceed the limits of the available helicopter facilities.

Chicago Helicopter Airways

Bell Helicopter Corporation

Agile and free to move, a Bell 47-G-2 above Fort Worth, Texas, presages an answer to the serious metropolitan transportation problems foreseen in the 60's by many city planners.

Helicopters require closer maintenance attention than fixed wing aircraft do, says one expert. Heavy schedules flown by CHA have taught maintenance lessons that have enabled military to cut 'copter expenses.

Chicago Helicopter Airways

JANUARY, 1960

pates a 50 per cent increase in traffic this year. In 37 months of passenger service, CHA has flown 370,000 fares—every one in perfect safety!

Admittedly remarkable, the accident-free record testifies to what can be accomplished in passenger service with an aircraft that has been regarded with some alarm. In the view of one insurance representative with 30 years' experience in aviation underwriting, the CHA feat is a result of the way the line is run. "They have a system," he says. "They flatly refuse to take chances."

Among its other salutary effects, safety saved CHA $25,000 last year in insurance costs, under company policies which provide for varying premiums based on accident experience. The airline carries $6 million limits in liability insurance and $1.2 million in hull coverages.

Whirlybird expansion in the decade ahead promises plenty of surprises, among them models that will double today's top speeds and move into the 200-mile-per-hour-plus class. When those spiral-winged wonders arrive the insurance industry will not only safeguard them but perhaps put them to work as well.

One of the latest helicopters put to business use is now pioneering improved insurance claim services for the Indiana Lumbermens Mutual Insurance Company. The 'copter rushes personnel of the firm's Northeastern Department to the scenes of serious accidents. Additional uses are being planned, according to the department's manager, Hugh L. Mulligan, who reports happily that the helicopter operation "lends itself to all kinds of possibilities." ⊙

Sikorsky Aircraft

Ground crewmen guide a huge helicopter-lifted power line pole into its pre-dug hole in Puerto Rico. Some of the poles are 65 feet long, weigh nearly two tons. Other Sikorsky S-58's are used by scheduled airlines, can carry 12 passengers.

San Diego Union-Tribune

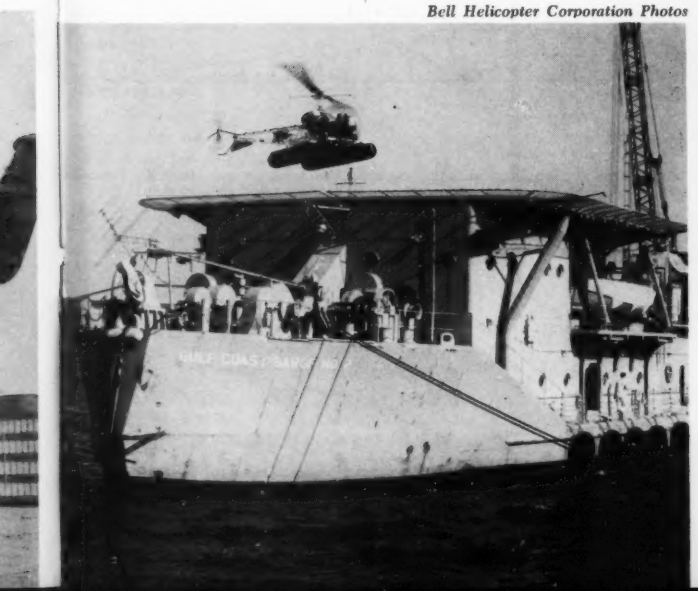
West Coast flyers made good on a guarantee to position 100 tons of new office ventilating equipment to a tolerance of less than one inch. Construction officials said the helicopter's feat saved thousands of dollars and a month's time.

Sikorsky Aircraft

Fire fighting is newly developed as an application of versatile whirlybirds. In tests, this Sikorsky H-34 is equipped to spray flame-smothering foam from 2½" nozzle in cabin at rate of 1,200 gallons per minute. Target is 100 gallons of burning aviation fuel. Rotor-blade downdraft aids in fight.

Aviation underwriters report that helicopters are being increasingly used in agriculture, with crop dusting one of the most hazardous assignments. Extra life insurance premiums required of commercial flyers run highest on 'copter pilots.

Bell Helicopter Corporation Photos



A petroleum industry Bell Trooper speeds operations of crew of offshore oil rig in Gulf of Mexico, and also represents a safety factor in the event of employee illness or injury.

A NEW YEAR IN BENEFITS For Nation's Workmen

More than half the states liberalized their workmen's compensation laws in 1959.

SOME 7,000 U. S. state lawmakers completed one of the busiest legislative years in history in 1959. Study and action nationwide involved about 100,000 proposed new laws, nearly 10 per cent of which carried implications for insurance policyholders.

Workmen's compensation insurance in particular was highlighted in sessions held in all states except Kentucky. About 1,500 proposals affecting workmen's compensation were introduced and some 160, or about 11 per cent, were passed. A substantial majority provided for increased compensation levels including liberalized medical and rehabilitation benefits.

Overall, legislation newly passed raised the national average maximum weekly benefit rate to approximately $46. Maximum weekly benefits for temporary total disability now equal $50 or more in 15 states and the District of Columbia, as compared with 10 jurisdictions in 1957, the previous legislative year for most states.

Dollar increases enacted in weekly com-

Maximum Weekly Benefits, Increases in 25 states

STATE	Old		New
Alaska	None		$81
California	$40	(permanent)	52
	50	(temporary)	65
Colorado	36.75		40.25
Connecticut	45		55% of average state production wage
Delaware	35		50
Florida	35		42
Hawaii	75		112.50
Idaho	25		30
Illinois	45		51
Indiana	35		39
Iowa	32		44
Kansas	34		38
Maine	35		39
Maryland			
Massachusetts	40	(per worker)	45
	4	(each dependent)	6
Missouri	37.50	(permanent)	40
	37.50	(temporary)	45
Nebraska	34		37
New Hampshire	37		40
New Mexico	30		38
Ohio	40.25		49
Oregon	110	(permanent, monthly)	125
	130	(temporary, monthly)	140
South Dakota	30		35
Tennessee	32		34
Utah	35		37
Vermont	30		36
Wisconsin	70		77.14

Other Specified Benefit Increases, in 18 states

	Old	New
Burial expense	$350	$500
Maximum dependents' benefits	15,000	20,500
Burial expense	400	600
Total benefits—disability or death	11,466	12,598
Total dependents' benefits	11,466	15,884
Burial expense	200	500
Maximum total dependent benefits	13,500	15,000
Total permanent benefits	16,000	18,000
Death benefit total	9,600	12,000
Total medical expenses (various)	2,500	5,000
Total death benefits	12,000	13,500
Burial expenses	450	600
Total benefits	14,000	19,500
Death benefits	10,500	11,700
Burial expenses	350	450
Maximum total benefits for permanent partial unscheduled disability	7,500	12,500
Total benefits—temporary total disability	10,000	14,000
Total benefits—permanent partial disability	10,000	15,000
Total death benefits	10,000	14,000
Total death benefits	12,000	15,000
Burial expenses	400	500
Disfigurement	1,000	2,000
Total benefits	12,617	13,640
Total benefits	Not set	19,000
Medical expenses	700	1,500*
Burial expenses	250	350
Death benefits—one dependent	12,000	15,000
Total disability benefits	10,000	12,000
Total death benefits—one dependent	7,500	9,000
Minimum death benefits	2,400	3,000
Total benefits	11,000	12,500
Medical benefits	1,500	1,800
Total maximum benefits—permanent total disability	14,116	14,822
Total death benefits—general	10,266	10,780
Vocational rehabilitation benefits	700	735
Total death or disability benefits	9,900	11,880
Burial expenses	200	300
Hospital & medical expenses	2,500	5,000

*Can be increased to $15,000 by court order.

NOTE: At *Journal* presstime, workmen's compensation benefits in Pennsylvania had just been increased, and in New Jersey liberalized compensation proposals were being considered.

pensation benefits in '59 ranged from $2 to $37.50. Other liberalizations included a gradual widening of medical benefits both as to duration and amounts.

Widespread legislative action in the field of atomic energy was particularly noteworthy. Some 17 states passed regulatory laws in this area, most of which included special provisions for studies of workmen's compensation laws and benefits as they relate to hazards in the use of nuclear power and radioisotopes.

Though atomic energy is just emerging as a source of public power, state action has already provided compensation coverage against radiation injuries for workers in all states except Alabama, Mississippi and Wyoming. ⊙

New or revised

ATOMIC-AGE PROVISIONS,

26 states

Ten states amended or revised compensation laws to include or broaden coverage for injuries arising from radiation hazards.

Alaska
Iowa
Kansas
Maine
Missouri
Montana
New Hampshire
Ohio
Tennessee
Pennsylvania

Eleven states created or broadened statutes of limitations with respect to radiation injuries.

Alaska
Hawaii
Iowa
Kansas
Maine
Missouri
Montana
New Jersey
Oregon
Texas
Washington

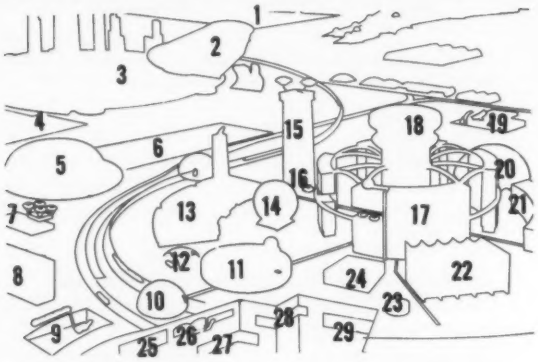
Seventeen states enacted laws concerning state regulation of activities relating to the peaceful uses of atomic energy.

Alaska
Arkansas
California
Connecticut
Illinois
Indiana
Kansas
Massachusetts
Missouri
New Mexico
New York
North Carolina
Ohio
Oklahoma
South Carolina
Tennessee
Texas

Forty-seven states now provide workmen's compensation coverage for radiation injuries (includes all states except Alabama, Mississippi and Wyoming).

THIS EARTH magazine, Permanente Cement & Kaiser Gypsum Companies

MEGALOPOLIS—ITS CENTRAL-CITY FEATURES



1. Industrial plants—clean, attractive, all on fringe of city.
2. Air delivery of factory-built homes by flying platforms or "saucers."
3. One of city's circular-patterned business centers.
4. Edge of a row-housing area, large parks replacing individual yards.
5. Multi-purpose stadium with retractable roof for all-weather use.
6. Mass-participation sports facilities for increased leisure-time use.
7. Grouped flying platforms delivering giant precast building sections from factory to site.
8. Large public hospital.
9. Automatic excavator readying site for new building, dropping earth into big buggy-train.
10. Bubble-dome monorail station. Monorail, already used or under construction in Seattle, Dallas, Disneyland, Germany, Ireland, goes 60 miles an hour.
11. Heliport.
12. Auxiliary structure being finished with poured-in-place roof.
13. Communications center—all radio, TV stations, city's phone service.
14. Community recreation center topped with glass-enclosed swimming pool.
15. Towering structure under construction. Flying platforms set newest section in place.
16. Flying platform for passengers.
17. Government center—municipal, state, federal in one circular building complex.
18. Building's own heliport.
19. Solar power plant, which supplements city's nuclear power supply.
20. Geodesic-domed civic auditorium.
21. Library and science museum.
22. Theater.
23. Restaurant.
24. Art museum.
25. Underground parking garage.
26. Underground train station.
27. Underground nuclear power plant.
28. Underground water purification and recirculation plant. It enables city to reuse same water indefinitely.
29. Underground sewage disposal plant.

PREVIEW OF MEGALOPOLIS-

City of the Future

In years ahead, life's activities, with attendant insurance innovations, will revolve about "super-city" centers.

NEARLY 9 OUT OF 10 of us will call Megalopolis home 40 years from now—or sooner.

So say the thinkers whose business it is to forecast the future of America. And lest it seem far-fetched, just think back, of the progress we've made in the past 40 years.

In 1920 coast-to-coast air mail service began. It took more than 24 hours actual flying time, with several refueling stops. Today it's a non-stop 5- or 6-hour flight by jet. Tomorrow: Instantaneous transmission of cross-country mail by microwave radio or coaxial cable, and 12,000-mph passenger rocket ships.

In 1920 the first regular radio service was broadcast—the Harding-Cox presidential election results. Today AM, FM and TV fill every available air wave, and a satellite bounces a voice all over the world. Tomorrow: Educational TV blanketing multi-state areas from planes, networks of communications satellites in the sky.

10 Largest Cities of the Future Listed

Also in 1920 the U. S. edged for the first time from a predominantly agricultural society to an urban one. Today only 12 per cent of Americans live on farms; some two-thirds of us are in 170 metropolitan areas of more than 50,000 people. During the next 10 years the figure will move closer to three-fourths, researchers say. In 20 years city boundaries will have overlapped into 10 to 14 "super-cities," or megalopolises. By 2000, 85 per cent of our 320 million population will live in large urban areas, according to a study by Dr. Jerome Pickard. More than 100 million will be in the 10 largest megalopolises:

New York—23 million
Los Angeles—20 million
Chicago—11 million
Detroit, Washington-Baltimore—9½ million
Philadelphia—8½ million
San Francisco—7½ million
Miami, Boston—6½ million
Cuyahoga Valley (Cleveland)—5 million

Another 40 per cent of us will live in 285 smaller metropolitan areas of 100,000 to 5 million people, the study predicts.

Like all other aspects of life in Megalopolis, insurance needs and services will be a far cry from those of 1920, or even today.

Take the automobile field. In 1920 there were 10 million cars on U. S. highways, and auto insurance was in its infancy. Today there are 70 million vehicles; some 37,000 persons a year die in them, 1½ million are disabled, and losses are $5 billion. Ten years from now there'll be 99 million vehicles fighting for space on still overcrowded highways. The car of the 60's may have a radar-like system to warn the driver of approaching danger, but unless greater strides are made in safety engineering and driver attitudes, deaths, injuries, property damage, and, therefore, insurance rates, must be expected to continue rising.

With motorists already unhappy about rates, and insurers unable to keep up with the staggering damage claims at the going rates, both groups will look forward to the improvements 20 or 30 years in the future: Electronically

Portland Cement Association

Futuristic design of this open-air dining pavilion is one preview of the future. It's in Ida Cason Callaway Gardens, at Pine Mountain, Georgia. Concrete in shape of giant wineglasses creates an unusual and festive setting for this vacation spot.

Preview of Megalopolis

guided vehicles that can't go "off the track" on the highway or miss a traffic signal, wheelless cars that skim along on air 6 to 12 inches off the ground and thus can leave the crowded highways for open terrain. In 40 years cars may be outdated altogether; drivers may use their personal helicopters for pleasure trips, and commute to work in downtown Megalopolis via flying platforms or monorail. Copter-collision insurance may be the big thing then.

Aviation insurance, new in 1920, probably is just on the brink of a gigantic growth period. Flying already has reached the point where a single crash costs millions of dollars in property loss, death and injury claims. As the air age gives way to the space age, insuring flying machines and the people in them may well be the biggest single task insurers will have to perform.

Weather Control May Eliminate Damages

Like auto insurers, fire companies are hoping losses will go down instead of up in the future, though the experience of the past 40 years gives them little basis for hope. In 1920 they paid out $461 million in losses; today the figure has risen to well over $2 billion a year. If public carelessness continues at such a rate, fire losses will be even more astronomical by 2000, with repercussions on insurance. Some hope does lie in the continuing development of fire resistant design and construction, fire-retardant paints and roofing materials, warning devices, fire extinguishing techniques and equipment.

The vagaries of the weather, which have cost businessmen, farmers, homeowners and their insurers billions of dollars, may be missing from the world of the future. Already weather satellites are being perfected to give early warning of approaching storms. Pioneer efforts at weather control—"rainmaking," hail and hurricane dispersal—presage more miraculous things to come in this field. Or, cities and farmers may be able to erect huge geodesic domes or other giant "roofs" over themselves and set the weather just the way they want it within.

Today's workmen's compensation may be completely outmoded in the next few decades. Whole new industries will come into being. Others may disappear. Insurance against radiation hazards, already one of the most complex new problems of the atomic age, will become an even greater one as nuclear energy noses out other power sources in industry. By 2000, 50 per cent of U. S. power may be nuclear, it has been estimated.

Rising medical and hospital costs may be of declining concern as wonder drugs, vaccines, new surgical and radiological techniques, and general improvement of living standards reduce disease and lengthen our lives. In 1920 the average American's life expectancy was 54 years. A child born today can expect to live 68 years. Tomorrow: Still longer life, better health. Even this next decade may see a cancer cure, and reduction of fatal heart ailments, mental illness and arthritis. Increasing air and water pollution and radioactive fallout pose new health hazards, though. And in a longer-lived society, a virtual revolution in care of the aged will be needed.

But whatever the need, insurance has been on the scene supplanting uncertainty with certainty ever since the days of the Franklin-founded first mutual fire insurance company. With the confidence of T. B. Macaulay, "No man who is correctly informed as to the past will be disposed to take a morose or desponding view of the present"—or of the future. ⊙

CLOSE-UPS OF OUR COMMISSIONERS

MUSSER OF OREGON

V. Dean Musser, former educator, present member of National Association of Insurance Commissioners executive committee.

EARLY OPTIMISTS about Oregon's future have been borne out. In this final month of its first full century of statehood, the Beaver State leads the nation in lumber production, in numerous agricultural crops, including winter pears and green snap beans, and boasts the only nickel mine in the U. S.

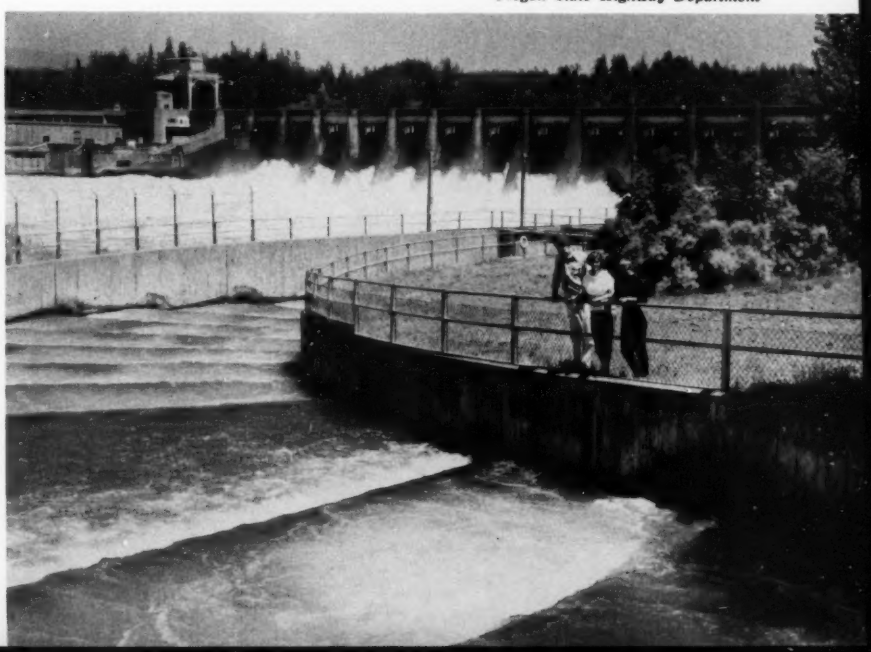
One-fourth of the nation's saw timber stands within Oregon's borders, most of it Douglas fir and Ponderosa pine. Latest estimates credited the state with nearly 434 billion board feet of timber. From Oregon comes 50 per cent of the nation's plywood, 20 per cent of the total shingle supply and 25 per cent of all hardboard production.

Salem, Oregon's capital city, gave birth in 1900 to the U. S. frozen food industry, and is the nation's second leading processor of canned foods today. Some Salem plants pack as many as 16 of 40 different crops available.

In this water-blessed land, Oregon industry has been steadily stimulated by the lowest delivered power rates in the country. Hydro-electric power resources are vast. In many parts of the state, expanding industry also is benefited by melting mountain snow which produces water pure enough for highly specialized chemical processes.

A continuing economic upswing for Oregon is reflected in figures released by Insurance Commissioner V. Dean Musser. Over the past 10 years, the state's insurance industry, serving two million residents and 52,000 business firms, has grown from 613 to 662 companies. Total premium volume increased from $139 million to $265 million, 90.6 per cent. Taxes paid by insurance companies climbed 121 per cent, from just under $2 million to $4.2 million.

Appointed to his present office early last year, Commissioner Musser previously served in the Oregon Insurance Department for four years as chief deputy commissioner. He formerly had been associated with several Oregon insurance firms dealing in all classes of insurance, including coverages on large industrial risks.

A graduate of Idaho State College, in Albion, Idaho, Musser was an infantry battalion supply officer with the 10th Division in Italy during World War II. Prior to entering the insurance business, he was an athletic coach in Filer, Idaho, for seven years, and principal of a junior high school. ⊙

Oregon's Bonneville Dam is one of hydro-electric giants that supply more than 95 per cent of the state's electric power.
Oregon State Highway Department